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## THE PASSING OF THE RANCHO

BY J. M. GUINN

The first real estate boom—that is, a rapid rise in land values—in Southern California was brought about by a disaster that destroyed its leading industry certainly an anomolous condition in the history of a country.

For nearly half a century the one great commercial industry of the Southland had been cattle raising, first for their hides and tallow for export, and later to supply beef to the miners in the gold fields. To make it profitable, the cattle industry required the land devoted to it to be held in large tracts called ranchos, consequently the settlement and development of the country was slow and real estate booms impossible.

The first wild rush of miners to the gold fields stimulated the cattle industry. The only source from whence the gold hunters could obtain fresh meat was the ranchos of Southern California. The rapid rise in cattle values forced wealth on the rancheros and they spent it lavishly. The importation of cattle across the plains from western states and the settlement of the valleys in the central and northern part of the State being nearer the mines, brought a decline in the prices of cattle on the southern ranchos. To compete with the northern producers, the rancheros of the south had allowed their ranges to become overstocked, hoping to make up by quantity for the decrease in value.

The famine years of 1863 and 1864, when for two seasons not enough rain fell to start the green feed, put an end to the industry. A million animals, cattle and horses, starved to death. This calamity forced a change in the industries of the Southland. The rancheros had no money to restock their ranges nor to cultivate them. To add to their misfortune, most of them were deeply in debt and cancerous mortgages were eating away their possessions.

The only hope for the country lay in the subdivision of the great ranchos and the distribution of the land among small land owners who would cultivate the soil. The first great subdivision was that of the Stearns' Ranchos—seven great ranchos located in the San Gabriel and Santa Ana valleys.

Don Abel Stearns, the Rockefeller or Pierpont Morgan of the old pueblo, in the flush days of '49 and the early 50's, when a cattle range was more profitable than a gold mine, with that Yankee shrewd-

ness that characterized him in all his dealings, had turned his genius to the acquisition of land. By loaning money on mortgages to impecunious rancheros, by the purchase of equities in encumbered estates and by foreclosures, he had possessed himself of immense land holdings. When the famine years had passed and the bones of his hundred thousand cattle lay bleaching on the sun-scorched plains, Stearns found himself the owner of a principality in land; greater than that of an English lord; but financially on the verge of bankruptcy. He was the owner of 200,000 acres of land mortgaged for \$50,000. The ruling rates of interest then ranged from 15 to 24 per cent per annum. Without income from his acres and indebtedness piling up, Stearns found himself not only on the very verge of bankruptcy but just ready to topple over into the vortex of insolvency. In 1864 all of Stearns' landed possessions were advertised to be sold at a sheriff's sale for delinquent taxes and the total amount of his taxes was only about \$4,000. The ruling prices of land in Southern California after the famine years was 25 to 50 cents per acre.

The land known as the Stearns' ranchos comprised the following grants: Los Coyotes, La Habra, San Juan Cajon de Santa Ana, Los Bolsa y Paredas, La Bolsa Chica, and a part of the Los Alamitos. Stearns, with the assistance of his old-time friend, Alfred Robinson, succeeded in negotiating the sale of these ranchos and the holdings he had in San Bernardino County to a syndicate of San Francisco capitalists. The original members of the syndicate were Sam Brannan, E. F. Northam and C. B. Polhemus. Stearns reserved an eighth interest in the land. The price paid was one dollar and fifty cents per acre. The partners in the deal incorporated under the title of the Los Angeles and San Bernardino Land Company. Alfred Robinson, the author of the famous book, "Life in California," was made trustee and signed all transfers.

These 200,000 acres were subdivided and in 1868 were put on the market in tracts of 40 acres and up, on easy terms at prices ranging from \$2 to \$10 per acre. They were extensively advertised.

The lure of cheap lands brought a rush of immigrants from central and northern California and from the eastern states, and our first boom was on, and it might be added, that booms have been on again and off again and gone again many times since, but none of them was such a success or did so much for the development of the country as that first one. The price of the land was advanced from time to time as the country was settled. When the land was all sold, the members of that syndicate or their heirs cleaned up a profit of \$2,000,000.

The 200,000 acres that Stearns parted with in the financial gloom of the 60's for \$300,000 are worth today a hundred millions dollars. The Laguna, one of the Stearns' ranchos, lying southeast of and

adjoining Los Angeles City, was not included in the syndicate deal. It was recently sold for eight million dollars.

Nearly twenty years before the subdivision of the Stearns' ranchos and other great ranchos, and the distribution of the land among small land holders, changed the character of the population and the industries of Southern California. Henry Dalton, a pioneer of the Mexican era and a large land holder, projected a scheme for the distribution of some of his landed interests, which, had it been carried out successfully, would have precipitated the subdivision of the large ranchos and hastened their colonization.

Dalton in nearly a column advertisement in the *Southern Californian* and an abbreviated one in the *Los Angeles Star* in 1855, the only newspapers then published in Los Angeles County, thus outlines his scheme:

"A Magnificent Real Estate Distribution by Henry Dalton. Four hundred and thirty-four splendid prizes, consisting of splendid modern-built private residences in the City of Los Angeles; very valuable city and town lots eligibly situated on the principal thoroughfares. Magnificent vineyards and fruit orchards in the highest state of cultivation, valuable town property in the city of Benton. numerous farms on the Rancho Azusa, comprising the finest agricultural lands in the lower country, offering the most attractive inducements to those wishing to obtain future homes in this the loveliest portion of California; and at no late date to form the most valuable section of country on the coast of the Pacific, together with an extensive lot of improved stock comprising in part valuable horses of the best blood in the country, broken to the harness and saddle; also horned cattle of improved breeds, etc.

"Mr. Henry Dalton, proprietor of a large amount of the most valuable and productive tracts of land in the beautiful and fertile valleys of the County of Los Angeles, and wishing to throw them into market and under cultivation by the settlement thereon of an agricultural community, has deemed it advisable to present to the public the above magnificent distribution scheme amounting to Eighty-four Thousand Dollars.

"No other enterprise in this country has ever presented the attractive features offered by this scheme, either in point of real magnitude or intrinsic value. Unlike similar operations which have heretofore combined a host of worthless articles of no earthly value or utility to the possessor; with perhaps some half a dozen capital prizes, this scheme comprizes none but the most valuable and desirable objects, the least of which is well worthy the attention of the public."

Dalton evidently wished to give the impression that his Magnificent Distribution Scheme was not to be classed with the numer-

ous drawings, distributions, raffles and lotteries that were as plentiful in his day as stock companies were in ours before the blue sky law put them out of business.

In a parallel column with Dalton's ad. in the Californian is the advertisement of H. M. Smith & Co.'s great \$100,000 prize raffle. The first prize was \$10,000 in octagon-shaped \$50 gold slugs of Argonautic days. No prize in this raffle was worth less than fifty dollars. Unfortunately for the investors the proprietors forgot to mention the number of prizes, but that was not material. Everyone was after the slugs.

In another column of the Californian, the California Art Union was advertising its monthly drawings, where for the consideration of \$1.00 you could take a chance on a \$5,000 gold ingot, silver-lined trumpets, Persian shawls, magnificent paintings of the "Descent from the Cross," "The Holy Family" and other pious pictures done in oil by the young masters. But the prize of prizes was the largest diamond in the United States done in paste by experts.

Sixty years ago lotteries were as thick as leaves in Valambrosa. Maryland and Louisiana licensed them, and all the other States tolerated them. Even the churches sometimes took a hand in drawings that bordered close on to lotteries, and justified themselves with the plea that the end sanctified the means. Even the Father of his Country, it is said, took a chance in a lottery to raise money to build a wagon road over the Blue Ridge. He did not win the capital prize. Sixty years ago there was no censorship of the mails. Everything that went into them went through them.

Dalton, after justifying his method of distribution, launches forth in a eulogy on the southern country that for the tropical exuberance of adjectives and richness of descriptive phrase would turn our whole Million Club of real estate boosters green with envy.

He says, "The well-known and justly-celebrated natural advantages of this section of country with its beautiful scenery; its unsurpassed salubrity of climate, its unparalleled fertility and richness of soil, its extensive valleys and broad and limitless plains, its beautiful streams and rich and varied scenery need no description to those who have visited this garden spot of the Pacific; situated on the shores of the illimitable expanse of this mighty waste of waters, possessing one of the finest harbors upon the coast on the one hand and the only feasible pass through the mountain barriers on the other, through which the project of an interoceanic railroad between the two oceans can be consummated, the future of this county is beyond the power of imagination to conceive, and whether we consider its present or its future, it presents infinitely superior inducements to all portions of the State."

"The catalogue," says Dalton, "will embrace a large number of beautiful and convenient modern built dwelling houses, city and town lots eligibly situated in the city of Los Angeles; magnificent vineyards and fruit orchards unsurpassed in point of thrift and productiveness; very valuable town lots in the town of Benton, together with splendid farming lands adjacent thereto and comprising a portion of the splendid Rancho of Azusa, one of the finest tracts in the lower country, and on the direct line between San Pedro and San Geronio, the prospective location of the Great Pacific Railroad.

"For the purpose of disposing of these valuable and highly attractive objects, together with a choice selection of personal property, comprising horses, cattle and other live stock, a 'distribution scheme' has been formed on the plan of similar associations in other portions of the world, thereby offering to all an opportunity of securing at a trifling cost a desirable home for themselves and families where the remainder of their days may be passed in the quiet and peaceful enjoyment of the domestic hearth surrounded by the comforts and conveniences that the richest soil and most salubrious and healthy climate can afford."

"The whole is divided in shares placed by general desire at the low rate of ONE DOLLAR EACH, giving to the holder an interest, by purchase, in the entire enterprise and constituting a membership with all the privileges annexed thereto, and the right to decide on the mode of distribution. The sale will be completed by the disposal of all the shares or by the first Monday in May, 1855, and the property will await the order of the shareholders, through the fair and impartial decision of a committee chosen by themselves.

"Among other highly attractive and valuable features offered in this enterprize are one of the most magnificent private dwellings in the southern country, now occupied by the Hon. Judge Olvera, fronting eighty-six feet on the Main Plaza, with wings extending back ninety-five feet, possessing an open court within, a beautiful corridor along the entire front, with numerous apartments elegantly finished, and combining every convenience pertaining to a first-class residence. Value \$11,000.\*

Dalton's "one of the most magnificent private dwellings in Southern California," is still standing and known as the Olvera house. It is located on the northeast corner of Marchessault and Olvera Street, fronting on the Plaza. It is the last of the Plaza

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\*Note.—This historic house, with an unwritten history, was built about eighty years ago by Don Tiburcio Tapala. For many years it was the residence of Don Agustin Olvera. Olvera was a prominent citizen in pueblo days, and active in pueblo politics. He was *deputado* at the treaty of Cahuenga and was one of the signers of the articles of capitulation between Col. J. C. Fremont and General Andres Pico. He was the first county judge in 1850, when the county was organized, and president of the Court of Session.

fronts that were once the homes of the pueblo aristocracy and almost the last relic of the adobe age of our city.

After it ceased to be the palatial home Dalton describes it, in the later 50's and early 60's, when Satan and his imps had their innings on the Plaza, it became a saloon and gambling hell. Nigger Alley, the Plaza's chief tributary from the south was known as the wickedest street on earth. After several vigilance committees had regulated the morals of the Plaza by hemp and exile, the old house became the habitation of the "heathen Chinese." When dilapidation and decay had reduced it until it was unfit for even Mongolians to inhabit, it was converted into a hay barn and coal yard. The spacious hall where once the beauty and the chivalry of the pueblo whirled through the dance is now occupied by a Mexican restaurant where, if you are indifferent to your surroundings, you can appease your hunger at any price from cinco centavos (5 cents) to cuarta reales (50 cents) on enchiladas (meal and meat cakes) gallina, (chicken), huertos (eggs), fritos empanados (meat cakes), tamales, tortillas and other dainties of olden times.

Dalton's second prize was an extensive and highly productive vineyard within fifteen minutes walk of the public square or plaza. Value \$10,000.

The next was "one very fine modern built dwelling house, containing nine rooms, with necessary out buildings, situated on the most valuable ground in the city, directly opposite the Court House lot fronting 63 feet on Spring Street and running back 155 feet. Value \$6,000."

The Court House then was on the corner of Spring and Franklin or Jail Streets, where the Phillips block lately stood.

Of the city and town lots rising rapidly in value there were two hundred and forty elegant ones in the city of Benton. It is to be regreted that Dalton did not give the price of lots in this prospective metropolis of the San Gabriel Valley, Benton City. It is to be regreted, too, that he did not give the price per acre of the "twenty-four superb forty-acre farms on the Rancho of Azusa" adjoining this metropolis and containing some of the richest and most fertile lands in the world.

As a guarantee of the reality, fairness and security of this magnificent real estate distribution scheme, Dalton referred to about all the cattle kings and merchant princes of Los Angeles. His advertisement ran from January to April in the newspapers. About three weeks before the drawing was to be held, it disappeared from their columns without explanation, apology or editorial comment. The only inference we can draw is that the 84,000 chances in the magnificent real estate distribution scheme were not taken.

The times then were not auspicious for real estate distributions. The people of Southern California had not been educated up to the necessity or desirability of small farms. What could a man with forty acres do against his neighbor with 40,000? Then the majority of those who took chances in distributions, drawings, raffles and lotteries were not yearning for land. They wanted quick returns on their investments. Smith & Co.'s \$10,000 golden slugs had far greater attraction for this class than Dalton's \$11,000 palatial residence. Even Duncan's art union pious pictures appealed more powerfully to the paisanos than Dalton's superb 40-acre farms with their illimitable fertility of soil. A farm implied work and work was what every lottery patron was trying to avoid.

A chance in the Monte farmer's distribution scheme (ad in the *Californian*) in which the chief prize was an elegant \$500 family carriage that had crossed the plains behind an ox team had the call in a lottery drawing over whole blocks of Dalton's eligible city lots. Land was the cheapest and most undesirable commodity offered.

Dalton was a shrewd business man. He could foresee the doom of the cattle kings and the division of their domains. To forestall his own fate, for he was the owner of myriads of acres, he inaugurated this first subdivision scheme. That it was a failure was due to the times and customs. The Rancho Azusa remained intact. Benton became a phantom city, its location uncertain. No map of it was ever recorded. No house was ever built within its limits. No inhabitants ever lived in it.

The Rancho Azusa is ghost-haunted by spectre cities. There are at least three of these phantoms on it—Benton City, the city of Gladstone, and Chicago Park. The last two of these were founded in the great real estate boom of 1887. The history of Gladstone has been well told by our fellow member, Mr. C. C. Baker, in Vol. IX, publications of the Historical Society. Chicago Park, a city of 2289 lots, was located in the wash of the San Gabriel River. That river of torrents, once named the River of Earthquakes, arose in its wrath and converted Chicago Park into a maritime city by washing its soil and silt into the San Pedro Harbor, forty miles away from its former location.

Its eccentric founder fixed the value of its lots at a uniform price of \$13 each. Whether or not the choosing of this ill-omened number 13 was a defy to Fate, Fate took the challenge and misfortune overtook the town. Five years later the county assessor was assessing these lots in bunches of five at an aggregate value of \$1.00 for the bunch.

Azusa of the phantom cities was not the only rancho that Dalton owned. He had interests in three others. The aggregate of his



landed interests amounted to over 70,000 acres. As a cattle king he ranked well up among the feudal royalty. His kingdom was subdivided and distributed among many owners, but not by himself.

Litigation and the "famine years" that killed the cattle industry sealed his doom. His magnificent real estate distribution scheme involved him in a lawsuit for the trifling value of one share. It was carried through the courts and fought with bitterness for years.

My story is a record of a phase of our civilization passed and gone forever. The cattle kings—the vaqueros, their vassals—the ranchos, their kingdoms—and the lavishness with which they spent their wealth, are but the dimly remembered tradition of an age of feudal splendor in tinsel settings. It was a dream of affluence and an awakening to poverty—a flitting glamor of riches darkened by the shadows of want. No heir of a cattle king inherits the kingdom of his progenitors. The passing of the Rancho ended the line of succession.